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ENGINEERING CONSULTANT

June 29, 2017

ARTHUR BLOOSTON
1914 – 1999

WRITER'S CONTACT INFORMATION

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REDACTED – FOR PUBLIC INSPECTION

VIA ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

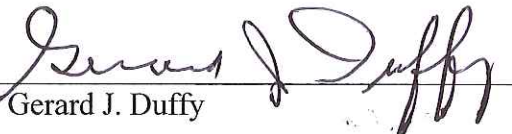
**RE: FCC Form 481 – Carrier Annual Reporting Data Collection Form
WC Docket No. 14-58
The Chillicothe Telephone Company (SAC 300597)**

Dear Ms. Dortch:

Pursuant to sections 54.313(i) and 54.422(c) of the Commission's Rules and the Commission's *Protective Order*¹ in this proceeding, The Chillicothe Telephone Company ("the Company") hereby submits a public inspection copy of its "FCC Form 481 – Carrier Annual Reporting Data Collection Form," which will be timely filed with the Universal Service Administrative Company and the appropriate state commission on or before July 3, 2017, and which includes redacted and obscured proprietary and confidential financial statement information.

The Company seeks confidential treatment under the *Protective Order* for the financial statement information included in its report pursuant to §54.313(f)(2), plus the related summary financial information included in Section 3005 (page 17) of its report. Confidential treatment of this information is appropriate on the grounds that it is commercially sensitive information that is not normally released to the public.

Respectfully submitted,
The Chillicothe Telephone Company

By: 
Gerard J. Duffy

Its Attorney

¹ *In the Matter of Connect America Fund, et al.*, PROTECTIVE ORDER, WC Docket Nos. 10-90 and 14-58, DA 16-296, released March 22, 2016.

FCC Form 481 - Carrier Annual Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	300597
<015> Study Area Name	THE CHILLICOTHE TEL
<020> Program Year	2018
<030> Contact Name: Person USAC should contact with questions about this data	Jeff Blevins
<035> Contact Telephone Number: Number of the person identified in data line <030>	7407728327 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	jeff.blevins@horizontel.com
Form Type	54.313 and 54.422

<010>	Study Area Code	200597
<015>	Study Area Name	THE CHILLICOTHE TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Jeff Blevins
<035>	Contact Telephone Number - Number of person identified in data line <030>	7407728327 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jeff.blevins@horizontel.com

<210> For the prior calendar year, were there any reportable voice service outages? No

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(300) Unfulfilled Service Request Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	300597
<015> Study Area Name	THE CHILLICOTHE TEL
<020> Program Year	2018
<030> Contact Name - Person USAC should contact regarding this data	Jeff Blevins
<035> Contact Telephone Number - Number of person identified in data line <030>	7407728327 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	jeff.blevins@horizontel.com

<300> Unfulfilled service request (voice)	0
---	---

<310> Detail on attempts (voice)	Name of Attached Document
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<320> Unfulfilled service request (broadband)	10
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300597oh330.pdf

<330> Detail on attempts (broadband)	Name of Attached Document
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(400) Number of Complaints per 1,000 customers Data Collection Form	FCC Form 451 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	306537
<015>	Study Area Name	THE CHILLICOTHE TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Jeff Blavins
<035>	Contact Telephone Number - Number of person identified in data line <030>	7407728327 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jeff.blavins@horizontel.com
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed voice
<410>	Complaints per 1000 customers for fixed voice	0.41
<420>	Complaints per 1000 customers for mobile voice	
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed broadband
<440>	Complaints per 1000 customers for fixed broadband	0.0
<450>	Complaints per 1000 customers for mobile broadband	

(500) Compliance With Service Quality Standards and Consumer Protection Rules		FCC Form 481
Data Collection Form		OMB Control No. 3060-0986/OMB Control No. 3060-0819
		July 2013
<010> Study Area Code	300597	
<015> Study Area Name	THE CHILLICOTHE TEL	
<020> Program Year	2018	
<030> Contact Name - Person USAC should contact regarding this data	Jeff Blevins	
<035> Contact Telephone Number - Number of person identified in data line <030>	7407728327 ext.	
<039> Contact Email Address - Email Address of person identified in data line <030>	jeff.blevins@horizontal.com	
<500> Certify compliance with applicable service quality standards and consumer protection rules	Yes	
	300597oh510.pdf	
<510> Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance		
<515> Certify compliance with applicable minimum service standards		

(600) Functionality in Emergency Situations Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	300597
<015> Study Area Name	THE CHILLICOTHE TEL
<020> Program Year	2018
<030> Contact Name - Person USAC should contact regarding this data	Jeff Blevins
<035> Contact Telephone Number - Number of person identified in data line <030>	7407728327 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	jeff.blevins@horizontel.com
<600> Certify compliance regarding ability to function in emergency situations	Yes
<610> Descriptive document for Functionality in Emergency Situations	300597oh610.pdf

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(700) Price Offerings Including Voice Rate Data Data Collection Form	FCC Form 481. OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	300597
<015>	Study Area Name	THE CHILLICOTHE TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Jeff Blevins
<035>	Contact Telephone Number - Number of person identified in data line <030>	7407720327 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jeff.blevins@horizontel.com

<701>	Residential Local Service Charge Effective Date	1/1/2017
<702>	Single State-wide Residential Local Service Charge	

[illegible]

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<010>	Study Area Code	300597
<015>	Study Area Name	THE CHILlicoTHE TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Jeff Blevins
<035>	Contact Telephone Number - Number of person identified in data line <030>	7407728327 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jeff.blevins@horizontel.com

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[illegible]

(900) Tribal Lands Reporting		FCC Form 481
Data Collection Form		OMB Control No. 3060-0986 / OMB Control No. 3060-0819
		July 2013

<010> Study Area Code	300597
<015> Study Area Name	THE CHILLICOTHE TEL
<020> Program Year	2018
<030> Contact Name - Person USAC should contact regarding this data	Jeff Blevins
<035> Contact Telephone Number - Number of person identified in data line <030>	7407728327 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	jeff.blevins@horizontal.com

<900> Does the filing entity offer tribal land services? (Y/N)

No

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable

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(1000) Voice and Broadband Service Rate Comparability Data Collection Form		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	300597
<015>	Study Area Name	THE CHILLICOTHE TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Jeff Blevins
<035>	Contact Telephone Number - Number of person identified in data line <030>	7407728327 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jeff.blevins@horizontal.com

<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate comparability compliance 300597oh1010.pdf

Name of Attached Document

<1020> Broadband comparability certification Yes - Pricing is no more than the non-promotional price charged for a comparable fixed wireline service in urban areas in the states or U.S. Territories where the eligible telecommunications carrier receives support

<1030> Attach detailed description for broadband comparability compliance 300597oh1030.pdf

Name of Attached Document

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(1100) No Terrestrial Backhaul Reporting
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	300597
<015>	Study Area Name	THE CHILLICOTHE TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Jeff Blevins
<035>	Contact Telephone Number - Number of person identified in data line <030>	7407728327 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jeff.blevins@horizontal.com

<1100> Certify whether terrestrial backhaul options exist (Y/N)

Yes

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

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(1200) Terms and Condition for Lifeline Customers		FCC Form 481
Lifeline		OMB Control No. 3060-0986/OMB Control No. 3060-0819
Data Collection Form		July 2013

<010>	Study Area Code	300597
<015>	Study Area Name	THE CHILLICOTHE TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Jeff Blevins
<035>	Contact Telephone Number - Number of person identified in data line <030>	7407728327 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jeff.blevins@horizontal.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website

HTTP www.horizontal.com

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒
- <1222> Details on the number of minutes provided as part of the plan, ☒
- <1223> Additional charges for toll calls, and rates for each such plan. ☒

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(2005) Price Cap Carrier Additional Documentation		FCC Form 481
Data Collection Form		OMB Control No. 3060-0986/OMB Control No. 3060-0819
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers		July 2013
<010>	Study Area Code	300597
<015>	Study Area Name	THE CHILLICOTHE TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Jeff Blevins
<035>	Contact Telephone Number - Number of person identified in data line <030>	7407728327 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jeff.blevins@horizontal.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

<2011>	3rd Year Certification 47 CFR §54.313(b)(1)(ii) - Note that for the July 2017 certification, this applies to Round 2 recipients of Incremental Support.		
<2022>	Recipient certifies, representing year three after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.		
<2023>	The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year three - 54.313(b)(2)(ii). Round 2 recipients only.		
<2024A>	Round 2 Recipient of Incremental Support?		
<2024B>	Attach list of census blocks indicating where funding was spent in year three - 54.313(b)(2)(ii). Round 2 recipients only.	Name of Attached Document Listing Required Information	
<2025A>	Round 2 Recipient of Incremental Support?		
<2025B>	Attach geocoded information for Phase I milestone reports (Round 2 for year three) - Connect America Fund, WC Docket 10-90, Report and Order, FCC 13-73, paragraph 35 (May 22, 2013).	Name of Attached Document Listing Required Information	
<2015>	2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)		

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(2005) Price Cap Carrier Additional Documentation Data Collection Form <i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

<2016> Certification support used to build broadband

Connect America Phase II Reporting {47 CFR § 54.313(e)}

<2017A> Connect America Fund Phase II recipient?

<2017C> Total amount of Phase II support, if any, the price cap carrier used for capital expenditures in 2016.

<2018> Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(1)(ii)(A)

Name of Attached Document Listing
Required Information

<2019> Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(1)(ii)(C)

(3005) Rate Of Return Carrier Additional Documentation Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
--	--

<010>	Study Area Code	300597
<015>	Study Area Name	THE CHILLICOTHE TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Jeff Blevins
<035>	Contact Telephone Number - Number of person identified in data line <030>	7407728327 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jeff.blevins@horizontel.com

Select from the drop down menu or check the boxes below to note compliance with 54.313(f)(1). Privately held carriers must ensure compliance with the financial reporting requirements set forth in 47 CFR 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009)	Progress Report on 5 Year Plan Carrier certifies to 54.313(f)(1)(iii)	Yes - Attach Certification
(3010A)	Certification of Public Interest Obligations {47 CFR § 54.313(f)(1)(i)}	
(3010B)	Please Provide Attachment	Name of Attached Document Listing Required Information 300597ch3010b.pdf
(3012A)	Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}	No - No New Community Anchors
(3012B)	Please Provide Attachment	Name of Attached Document Listing Required Information
(3013)	Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}	<input checked="" type="radio"/> (Yes) <input type="radio"/> (No)
(3014)	If yes, does your company file the RUS annual report	<input type="radio"/> (Yes) <input checked="" type="radio"/> (No)
Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:		
(3015)	Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)	<input type="checkbox"/>
(3016)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows	<input type="checkbox"/>
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information
(3018)	If the response is no on line 3014, is your company audited?	<input checked="" type="radio"/> (Yes) <input type="radio"/> (No)
If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:		
(3019)	Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers	<input checked="" type="checkbox"/>
(3020)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows	<input checked="" type="checkbox"/>
(3021)	Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit.	<input checked="" type="checkbox"/>
If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:		
(3022)	Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers	<input type="checkbox"/>
(3023)	Underlying information subjected to a review by an independent certified public accountant	<input type="checkbox"/>
(3024)	Underlying information subjected to an officer certification.	<input type="checkbox"/>
(3025)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows	<input type="checkbox"/>
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information 300597ch3026.pdf

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(3005) Rate Of Return Carrier Additional Documentation (Continued)	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

<010> Study Area Code	300597
<015> Study Area Name	TWE CHILLICOTHE TEL
<020> Program Year	2018
<030> Contact Name - Person USAC should contact regarding this data	Jeff Blevins
<035> Contact Telephone Number - Number of person identified in data line <030>	7407728327 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	jeff.blevins@horizontel.com

Financial Data Summary

- (3027) Revenue
- (3028) Operating Expenses
- (3029) Net Income
- (3030) Telephone Plant In Service(TPIS)
- (3031) Total Assets
- (3032) Total Debt
- (3033) Total Equity
- (3034) Dividends

Name of Attached Document Listing Required Information

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(4005) Rural Broadband Experiment Additional Documentation Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	300597
<015>	Study Area Name	THE CHILLICOTHE TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Jeff Blevins
<035>	Contact Telephone Number - Number of person identified in data line <030>	7407728327 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jeff.blevins@horizontal.com

4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)

Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide a response to Line 4001.

4001. Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

Community Anchor Institutions – FCC 14-98 (paragraph 79)

4003a. RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

4003b. Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year.

Broadband Deployment Locations – FCC 14-98 (paragraph 80)

4004a. Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481.

4004b. Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the relevant geographic area.

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	300597
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<020> Program Year	2018
<030> Contact Name - Person USAC should contact regarding this data	Jeff Blevins
<035> Contact Telephone Number - Number of person identified in data line <030>	7407728327 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	jeff.blevins@horizontal.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: THE CHILLICOTHE TEL	
Signature of Authorized Officer: CERTIFIED ONLINE	Date 06/26/2017
Printed name of Authorized Officer: Pete Holland	
Title or position of Authorized Officer: CFO	
Telephone number of Authorized Officer: 7407728547 ext.	
Study Area Code of Reporting Carrier: 300597	Filing Due Date for this form: 07/03/2017
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

<010> Study Area Code	300597
<015> Study Area Name	THE CHILLICOTHE TEL
<020> Program Year	2018
<030> Contact Name - Person USAC should contact regarding this data	Jeff Blevins
<035> Contact Telephone Number - Number of person identified in data line <030>	7407728327 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	jeff.blevins@horizontel.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent Firm: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Name of Authorized Agent Employee: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

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Attachments

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(700) Price Offerings including Voice Rate Data Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	300597
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<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Jeff Blevine
<035>	Contact Telephone Number - Number of person identified in data line <030>	740'728327 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jeff.blevine@horizontel.com

<701> Residential Local Service Charge Effective Date
<702> Single State-wide Residential Local Service Charge

1/1/2017

<703>

[illegible]

REDACTED FOR PUBLIC INSPECTION

(710) Broadband Price Offerings Data Collection Form

<010>	Study Area Code	300597
<015>	Study Area Name	THE CHILLICOTHE TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Jeff Blevins
<035>	Contact Telephone Number - Number of person identified in data line <030>	7407728327 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jeff.blevins@horizontel.com

[illegible]



June 7, 2017

Unfulfilled Broadband Service Requests Resolution

Horizon's customer care department tracks customer's requests for services the Company does not currently offer in the customer's area. In addition, Horizon's engineering department maintains a "Box Evaluation Maintenance" database which identifies exchange, box location, build date, build-out cost, work order number, and other data relevant to expanding broadband services.

The custom care department periodically sends a list of requesting customers to the engineering department. Engineering adds the customer data to its database and ticks a box for "customer request." As the customers serving area is upgraded for broadband and the broadband meets the customer's request (assuming the request was reasonable), engineering will send an updated customer request for service list back to customer care.

Customer care will make a "warm" call and notify the customer has upgraded services in their area and inquire if they would like to purchase a new or upgraded broadband package.

Respectfully,

A handwritten signature in black ink, appearing to read "P. Holland", written over a horizontal line.

Pete Holland
The Chillicothe Telephone Company
68 E Main St.
Chillicothe, OH 45601
(740) 772-8547



June 7, 2017

The Company complies with applicable federal and Ohio service quality standards and consumer protection rules with respect to its basic local exchange services and Lifeline services, including requirements regarding contractual terms and conditions, rates, rate increases, lists of features and services, deposits, directories, billing periods, late payment fees, repair commitments, out-of-service credits, disconnection and reconnection.

Respectfully,

A handwritten signature in black ink, appearing to read "Pete Holland", written over a horizontal yellow line.

Pete Holland
The Chillicothe Telephone Company
68 E Main St.
Chillicothe, OH 45601
(740) 772-8547



June 7, 2017

The Company has examined the ability of its network to remain functional in the event of the occurrence of the types of emergency situations likely to impact its central Ohio service area (e.g., severe snow and ice storms, lightning storms, tornados, earthquakes, forest fires, nuclear power plant accidents). On the basis of its risk assessments, the Company has determined that it has available a reasonable amount of back-up power to ensure the functionality of its affected exchanges for at least 4 days without an external power source. The Company also has concluded from its risk assessments that its network has reasonable and sufficient options for routing traffic around the facilities most likely to be damaged in the relevant emergencies, and that its network has sufficient capacity to manage most traffic spikes resulting from such emergencies.

Respectfully,

A handwritten signature in black ink, appearing to read "P. Holland", with a long horizontal stroke extending to the right.

Pete Holland
The Chillicothe Telephone Company
68 E Main St.
Chillicothe, OH 45601
(740) 772-8547



June 7, 2017

Description of Voice Services Rate Compatibility

Horizon's voice pricing is no more than two standard deviations above the applicable national average urban rate floor for voice services. On February 14, 2017, the Wireline Competition Bureau announced the 2017 rate floor for incumbent eligible telecommunications carriers. The rate floor for voice services is \$22.49 and the reasonable comparability benchmark for voice services is \$49.51.

In compliance with WC Docket No. 17-65, "In the Matter of Material to be Filed in Support of 2017 Annual Access Tariff Filings", released April 24, 2017, "For switched access services, ILECs regulated pursuant to sections 61.38 and 61.39 of the Commission's rules must complete the ARC spreadsheets." On June 16, 2017, Horizon submitted the ARC spreadsheets which contain the detail for voice pricing. Horizon's rate ceiling is \$28.70 with federal subscriber line charge. The following table is a snapshot of the data filed with the Commission.

Table 1 – ARC TRP with Voice Rates

Filing Date: 6/16/2017
Holding Company: Horizon Telecom
Filing Name: The Chillicothe Telephone Company

ARC-CAF-1

Study Area	EXCHANGES	Rate Ceiling Component Charges Calculation											Total Crnt Yr Rate Ceiling Comp. Chgs w/o ARC	Max Total Rate Ceiling Comp. Chgs Since 2012	Maximum Rate Ceiling Comp. Chgs to date
		Res / NP Tariff Period Projected Lines	SLB / BRI Tariff Period Projected Lines	RESIDENCE / NP / BRI / SLB (excluding Lifeline)	Stand-alone	Mandatory	Zone	State	F211	TR5	State USE	Federal SLC			
51 Study Area	Ohio Chillicothe	97,836	9,468	\$ 22.00	\$ -	\$ -	\$ -	\$ 0.20	\$ -	\$ -	\$ -	\$ 6.50	\$ 28.70	\$ 28.70	\$ 28.70

Respectfully,

Pete Holland
The Chillicothe Telephone Company
68 E Main St.
Chillicothe, OH 45601
(740) 772-8547



June 7, 2017

Description of Broadband Services Rate Compatibility

On February 14, 2017, the FCC's Wireline Competition Bureau issued a Public Notice announcing the 2017 rate floor for incumbent eligible telecommunications carriers (ETCs) and reasonable comparability benchmarks for fixed voice and broadband services. The 2017 rate floor for voice services is \$22.49, and no more than \$49.51.

In addition, recipients of high-cost and/or Connect America Fund support that are subject to broadband performance obligations are required to offer broadband service at rates that are at or below the following relevant reasonable comparability benchmarks in column 4:

Download Speed (Mbps)	Upload Speed (Mbps)	Usage Allowance (GB)	Benchmark	Company Specific Advertised Service	Company Specific Advertised Price
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
10	1	100	\$76.47	N/A	N/A
10	1	150	\$76.97	N/A	N/A
10	1	250	\$77.37	N/A	N/A
10	1	Unlimited	\$77.98	Lightspeed 10	\$49.95
25	3	250	\$89.92	N/A	N/A
25	3	Unlimited	\$90.53	N/A	N/A
25	5	250	\$90.16	N/A	N/A
25	5	Unlimited	\$90.76	N/A	N/A

As identified in column 6, the Company is at or below the Bureau's published benchmarks.

Respectfully,

Pete Holland
The Chillicothe Telephone Company
68 E Main St.
Chillicothe, OH 45601
(740) 772-8547

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June 7, 2017

The Company certifies that it is taking reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 10 Mbps downstream/1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas as determined in an annual survey, and that requests for such service are met within a reasonable amount of time.

Respectfully,

A handwritten signature in black ink, appearing to read "P. Holland", is written over a horizontal yellow line.

Pete Holland
The Chillicothe Telephone Company
68 E Main St.
Chillicothe, OH 45601
(740) 772-8547

MOSS ADAMS LLP
Certified Public Accountants | Business Consultants

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
Horizon Telecom, Inc.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Horizon Telecom, Inc. and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

To the Board of Directors
Horizon Telcom, Inc.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Horizon Telcom, Inc. and its subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Moss Adams LLP

Overland Park, Kansas
March 24, 2016

(3005a) Operating Report for Privately-Held Rate of Return Carriers Balance Sheet - Data Collection Form Page 1 of 3		FCC Form 481 OMB Control No. 3060-0986 July 2013	
<010> Study Area Code	<010>	<015> The Chillicothe Telephone Company	2016
<015> Study Area Name	<015>		
<020> Program Year	<020>		
<030> Contact Name - Person USAC should contact regarding this data	<030>	Don Barnhart	
<035> Contact Telephone Number - Number of person identified in data line <030>	<035>	(740) 772-8348	
<039> Contact Telephone Email Address - Email Address of person identified in data line <030>	<039>	don.barnhart@chillicothe.com	
<input type="checkbox"/> Files as reviewed single company <input type="checkbox"/> Filed as audited consolidated company <input type="checkbox"/> Filed as subsidiary of reviewed consolidated company		<input type="checkbox"/> Filed as audited single company <input checked="" type="checkbox"/> Filed as subsidiary of audited consolidated company	

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

[Signature] Date: 10/15/11

PART A. BALANCE SHEET		BALANCE PRIOR YEAR	BALANCE END OF PERIOD
ASSETS			
CURRENT ASSETS	LIABILITIES AND STOCKHOLDERS' EQUITY		
1. Cash and Equivalents	CURRENT LIABILITIES		
2. Cash-RUS Construction Fund	25. Accounts Payable		
3. Affiliates:	26. Notes Payable		
a. Telecom, Accounts Receivable	27. Advance Billings and Payments		
b. Other Accounts Receivable	28. Customer Deposits		
c. Notes Receivable	29. Current Mat. L/T Debt		
4. Non-Affiliates:	30. Current Mat. L/T Debt-Rur. Dev.		
a. Telecom, Accounts Receivable	31. Current Mat.-Capital Leases		
b. Other Accounts Receivable	32. Income Taxes Accrued		
c. Notes Receivable	33. Other Taxes Accrued		
5. Interest and Dividends Receivable	34. Other Current Liabilities		
6. Material-Regulated	35. Total Current Liabilities (25 thru 34)		
7. Material-Nonregulated	LONG-TERM DEBT		
8. Prepayments	36. Funded Debt-RUS Notes		
9. Other Current Assets	37. Funded Debt-RTB Notes		
10. Total Current Assets (1 Thru 9)	38. Funded Debt-FFB Notes		
	39. Funded Debt-Other		
NONCURRENT ASSETS	40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies	41. Premium (Discount) on L/T Debt		
a. Rural Development	42. Recaptured Debt		
b. Nonrural Development	43. Obligations Under Capital Lease		
Other Investments	44. Adv. From Affiliated Companies		
a. Rural Development	45. Other Long-Term Debt		
b. Nonrural Development	46. Total Long-Term Debt (36 thru 45)		
Nonregulated Investments	OTHER LIAB. & DEF. CREDITS		
Other Noncurrent Assets	47. Other Long-Term Liabilities		
Deferred Charges	48. Other Deferred Credits		
16. Jurisdictional Differences	49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	50. Total Other Liabilities and Deferred Credits (47 thru 49)		
	EQUITY		
PLANT, PROPERTY, AND EQUIPMENT	51. Cap. Stock Outstanding & Subscribed		
18. Telecom, Plant-in-Service	52. Additional Paid-in-Capital		
19. Property Held for Future Use	53. Treasury Stock		
20. Plant Under Construction	54. Membership and Cap. Certificates		
21. Plant Adj., Nonop. Plant & Goodwill	55. Other Capital		
22. Less Accumulated Depreciation	56. Patronage Capital Credits		
23. Net Plant (18 thru 21 less 22)	57. Retained Earnings or Margins		
	58. Total Equity (51 thru 57)		
24. TOTAL ASSETS (10+17+23)	59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		

(3005b) Operating Report for Privately-Held Rate of Return Carriers
Balance Sheet - Data Collection Form
Page 2 of 3

FCC Form 481
OMB Control No. 3050-0986
July 2013

<010> Study Area Code
<015> Study Area Name
<020> Program Year
<030> Contact Name - Person USAC should contact regarding this data
<035> Contact Telephone Number - Number of person identified in data line <030>
<039> Contact Telephone Email Address - Email Address of person identified in data line <030>

<010>
<015> The Chillisnohe Telephone Company
<020> 2016
<030> Don Barnhart
<035> (740) 772-8348
<039> don.barnhart@horizontel.com

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS		PRIOR YEAR	THIS YEAR
ITEM			
1.	Local Network Services Revenues		
2.	Network Access Services Revenues		
3.	Long Distance Network Services Revenues		
4.	Carrier Billing and Collection Revenues		
5.	Miscellaneous Revenues		
6.	Uncollectible Revenues		
7.	Net Operating Revenues (1 thru 5 less 6)		
8.	Plant Specific Operations Expense		
9.	Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		
10.	Depreciation Expense		
11.	Amortization Expense		
12.	Customer Operations Expense		
13.	Corporate Operations Expense		
14.	Total Operating Expenses (8 thru 13)		
15.	Operating Income or Margins (7 less 14)		
16.	Other Operating Income and Expenses		
17.	State and Local Taxes		
18.	Federal Income Taxes		
19.	Other Taxes		
20.	Total Operating Taxes (17+18+19)		
21.	Net Operating Income or Margins (15-16-20)		
22.	Interest on Funded Debt		
23.	Interest Expense - Capital Leases		
24.	Other Interest Expense		
25.	Allowance for Funds Used During Construction		
26.	Total Fixed Charges (22+23+24+25)		
27.	Nonoperating Net Income		
28.	Extraordinary Items		
29.	Jurisdictional Differences		
30.	Nonregulated Net Income		
31.	Total Net Income or Margins (21+27+28+29+30+26)		
32.	Total Taxes Based on Income		
33.	Retained Earnings or Margins Beginning of Year		
34.	Miscellaneous Credits Year-to-Date		
35.	Dividends Declared (Common)		
36.	Dividends Declared (Preferred)		
37.	Other Debts Year-to-Date		
38.	Transfers to Patronage Capital		
39.	Retained Earnings or Margins end-of-Period [(31+33+34)-(35+36+37+38)]		
40.	Patronage Capital Beginning of Year		
41.	Transfers to Patronage Capital		
42.	Patronage Capital Credits Retired		
43.	Patronage Capital End-of-Year (40+41-42)		
44.	Annual Debt Service Payments		
45.	Cash Ratio [(14+20-10-11)/7]		
46.	Operating Accrual Ratio [(14+20-26)/7]		
47.	TIES [(31+26)/26]		
48.	DSCR [(31+26+10+11)/44]		

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(3005c) Operating Report for Privately-Held Rate of Return Carriers
Balance Sheet - Data Collection Form
Page 3 of 3

FCC Form 481
OMB Control No. 3060-0986
July 2013

<010> Study Area Code
<015> Study Area Name
<020> Program Year
<030> Contact Name - Person USAC should contact regarding this data
<035> Contact Telephone Number - Number of person identified in data line <030>
<039> Contact Telephone Email Address - Email Address of person identified in data line <030>

<010>
<015> The Chillicothe Telephone Company
<020> 2016
<030> Don Barnhart
<035> (740) 772-9348
<039> don.barnhart@horizontel.com

PART C. STATEMENTS OF CASH FLOWS	
CASH FLOWS FROM OPERATING ACTIVITIES	
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	
2. Net Income	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
3. Add: Depreciation	
4. Add: Amortization	
5. Other (Explain)	
Changes in Operating Assets and Liabilities	
6. Decrease/(Increase) in Accounts Receivable	
7. Decrease/(Increase) in Materials and Inventory	
8. Decrease/(Increase) in Prepayments and Deferred Charges	
9. Decrease/(Increase) in Other Current Assets	
10. Increase/(Decrease) in Accounts Payable	
11. Increase/(Decrease) in Advance Billings & Payments	
12. Increase/(Decrease) in Other Current Liabilities	
13. Net Cash Provided/(Used) by Operations	
CASH FLOWS FROM FINANCING ACTIVITIES	
14. Decrease/(Increase) in Notes Receivable	
15. Increase/(Decrease) in Notes Payable	
16. Increase/(Decrease) in Customer Deposits	
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	
20. Less: Payment of Dividends	
21. Less: Patronage Capital Credits Retired	
22. Other (Explain)	
23. Net Cash Provided/(Used) by Financing Activities	
CASH FLOWS FROM INVESTING ACTIVITIES	
24. Net Capital Expenditures (Property, Plant & Equipment)	
25. Other Long-Term Investments	
26. Other Noncurrent Assets & Jurisdictional Differences	
27. Other (Explain)	
28. Net Cash Provided/(Used) by Investing Activities	
29. Net Increase/(Decrease) in Cash	
30. Ending Cash	



March 24, 2016

Moss Adams LLP
7285 W. 132nd Street, Suite 220
Overland Park, KS 66213

We are providing this letter in connection with your audits of the consolidated financial statements of Horizon Telecom, Inc., (the "Company"), which comprise the consolidated balance sheets as of December 31, 2015 and 2014 and the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for the years then ended and the related notes to the consolidated financial statements for the purpose of expressing an opinion as to whether the consolidated financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP). Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Except where otherwise stated below, immaterial matters less than [REDACTED] collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of March 24, 2016.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 25, 2015, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal controls which seek to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

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7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. We are not aware of any uncorrected financial statement misstatements that are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Information Provided

9. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
 - b. Minutes of the meetings of stockholders, directors, and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared;
 - c. Additional information that you have requested from us for the purpose of the audit;
 - d. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
10. All material transactions have been properly recorded in the accounting records and are reflected in the consolidated financial statements.
11. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
12. We have no knowledge of any fraud or suspected fraud that affects the entity and involves—
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others when the fraud could have a material effect on the consolidated financial statements.
13. We have no knowledge of any allegations of fraud or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
14. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
15. We have disclosed to you all known possible or actual litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
16. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
17. Receivables recorded in the consolidated financial statements represent valid claims against debtors for sales or other charges arising on or before the balance sheet date and have been appropriately reduced to their estimated net realizable value.
18. We have reviewed long-lived assets for impairment whenever events or changes in circumstances have indicated that the carrying value amount of assets might not be recoverable. We have not identified any impairment that would require adjustment to the carrying values of long-lived assets.
19. The Company has satisfactory title to all owned assets, and there are no material liens or encumbrances on such assets nor has any asset been pledged as collateral, except as disclosed to you and reported in the consolidated financial statements.
20. We acknowledge that we are responsible for the financial statements, including the footnotes, and have the resources to prepare them in-house. We have elected to use Moss Adams to prepare the financial statements and footnotes. We have reviewed and approved the financial statements prepared by Moss Adams.
 - a. We have reviewed the eliminating entries and the amounts are reasonable. We are not aware of any additional transactions that should be eliminated from the financial statements.
21. We have reviewed and approved the tax accrual calculations and acknowledge that we are responsible for the accrual prepared by Moss Adams.

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22. We acknowledge our responsibility for presenting the supplementary consolidating balance sheet, consolidating statement of operations and consolidating statement of cash flows in accordance with accounting principles generally accepted in the United States of America and we believe the supplementary information, including its form and content, is fairly presented, in all material respects, in accordance with such accounting principles. The methods of measurement and presentation of the supplementary information have not changed from those used in prior periods, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
23. We have identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the Company vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.
24. We have made estimates, based on the best information the Company has, for make ready obligations associated with the Company's fiber-optic network build-out. There will be on-going make ready activities in the years following the balance sheet date. While the Company is contractually obligated to pay for these activities, actual make ready costs are unknown as of December 31, 2015. We believe our estimates for future make ready obligations are reasonable, adequately disclosed, and do not qualify for accrual treatment under accounting standards.
25. We believe adequate provisions have been made to prepare and record access revenue estimates in compliance with rules established by the Federal Communications Commission and the National Exchange Carrier Association (NECA). We are unaware of any items or issues which would cause material true-up adjustments to revenues for the audit period as a result of differences between recorded access revenues based on our estimates and revenues that will result from the filing of the annual cost study with NECA.
26. We believe the allocation of costs between regulated and non-regulated operations is reasonable. NECA and USAC have not objected to the allocations in our regulatory filings and we are not aware of any adverse rulings from either agency that would require a return of revenues that have been earned to date.
27. Related party transactions are priced in accordance with the FCC's rules on affiliate transactions in Part 32.27.
28. We believe the Company has no material unrecorded asset retirement obligations associated with its property, plant, and equipment that are required to be accrued or disclosed.
29. The Company has no significant amounts of idle property and equipment or permanent excess capacity.
30. The Company has future plans to complete work orders that have been temporarily suspended and reclassified from telecommunications plant under construction to other noncurrent assets. Work orders for which the Company has charged to other non-operating expense represent work orders suspended for which the Company has abandoned and has no plans to complete.
31. Access receivables recorded in the financial statements represent valid claims against interexchange carriers arising on or before the balance sheet date and have been appropriately reduced to their estimated realizable value.
32. Provision, when material, has been made for:
 - a. Losses to be sustained from inability to fulfill any sales commitments.
 - b. Losses to be sustained as a result of purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of the prevailing market prices.
 - c. Losses to be sustained as a result of the reduction of excess or obsolete inventories to their estimated net realizable value.
33. All cash deposits are in institutions whose accounts are insured by an agency of the Federal government.

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34. Regarding inventory:

- a. Provision, when material, has been made to reduce excess or obsolete inventories to their estimated net realizable value.
- b. The inventories were recorded and valued in substantially the same manner and on the same basis as the inventories at the close of the preceding year.
- c. In our opinion, the amount reported on the balance sheet is a fair and proper valuation of the inventories.

35. Required federal and state income tax returns have been filed for previous years on a timely basis. We have informed you of all tax matters coming to our attention which may have a material effect on our financial statements. The Company has no material uncertain tax positions to be accounted for in the financial statements.

36. The calculations of current and deferred tax expense and/or benefit and related current and long-term deferred tax assets and liabilities have been determined based on appropriate provisions of applicable enacted tax laws and regulations.

37. A valuation allowance against deferred tax assets at the balance-sheet date is not considered necessary because it is more likely than not that the deferred tax asset will be fully utilized.

38. The Company has complied with contractual agreements that would have a material adverse effect on the financial statements in the event of noncompliance.

39. [REDACTED]

40. We believe that the deferred revenues recognized on the balance sheets for the [REDACTED] agreements are properly accounted for in accordance with the grant and contractual terms of the agreements.

41. We have evaluated all of the Company's indefeasible right to use (IRU) agreements and we believe that they qualify for operating lease treatment and that the IRUs have been properly accounted for as operating lease arrangements.

42. The assets associated with [REDACTED] in our records are no longer used in providing service to our customers.

43. [REDACTED]

44. Share-based payments have been accounted for in accordance with the provisions of FASB *Accounting Standards Codification* 718, Compensation – Stock Compensation. The assumptions used to estimate the fair value of employee stock options granted are based on management's best estimate using the most available facts. Included in the determination of the fair value of the stock options is the fair value of the underlying common stock. The Board of Directors' analysis of the fair value of the common stock on the grant date was based on recent trades of shares of Horizon

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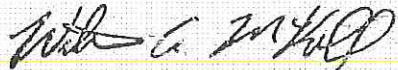
Telcom, Inc.'s common stock, Horizon Telcom, Inc.'s historical financial performance and its projected financial results, as well as other matters.

45.

46.

47.

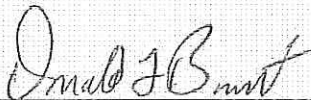
48. We acknowledge our responsibility for presenting the supplementary business unit operating income detail in accordance with accounting principles generally accepted in the United States of America and we believe the supplementary information, including its form and content, is fairly presented, in all material respects, in accordance with such accounting principles. We have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.



William McKell, Chief Executive Officer



Peter Holland, Chief Financial Officer



Don Barnhart, Manager of Accounting